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MICHIGAN LABOR MARKET REVIEW

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JOB SERVICE

Michigan Employment Security Commission

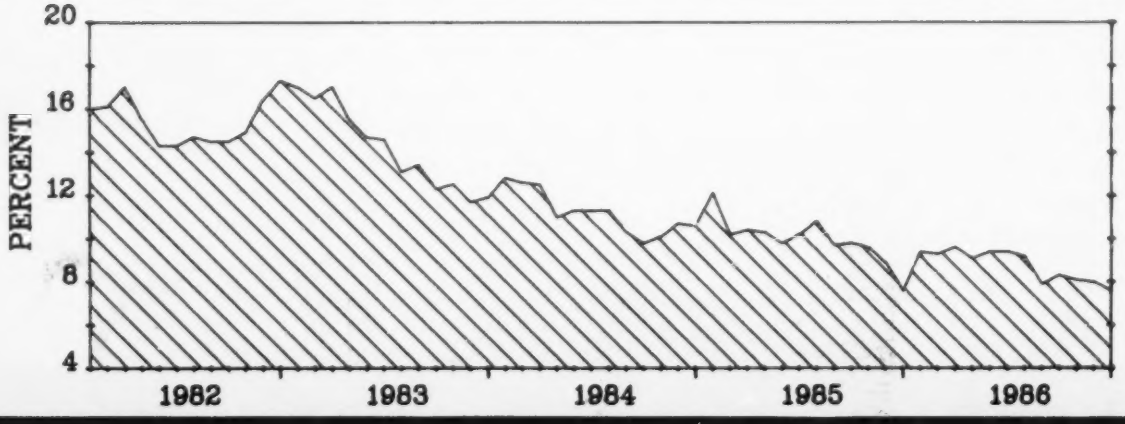
JOBLESS RATE CONTINUES DOWNWARD TREND

Michigan's unemployment rate fell from eight percent in November to 7.6 percent in December. The decline in joblessness represents 18,000 fewer individuals out of work, as the total number of unemployed state residents dropped to 341,000. The decrease in joblessness was primarily a result of seasonal hiring in retail trade. Total employment in December registered a gain as the number of employed individuals grew by 25,000 to reach 4,136,000. Additionally, the state's civilian labor force advanced by 7,000 to 4,477,000 over the month. Compared with a year ago, employment in Michigan has rebounded by 108,000, while the size of the labor force has jumped by 120,000. In December 1985, the total number of persons out of work totaled 329,000, representing an unemployment rate of 7.6 percent.

STATE PAYROLLS DECLINE DURING THE MONTH

Nonagricultural wage and salary employment in Michigan decreased as industry jobs slid to 3,635,000 in December. Employment opportunities slipped by approximately 9,000 as goods producing losses more than offset service producing gains. Total goods producing employment at 1,096,000, fell by 12,000 as a result of seasonal decreases in the construction industry. Service producing positions increased by 3,000 to 2,539,000 during the month, as retail establishments increased their hiring for the holidays. Government employment fell by 10,000 due to holiday vacations at state and local educational facilities. Since December 1985, industry employment in Michigan has climbed by 46,000 positions or 1.3 percent. Approximately 61,000 service producing jobs have been added throughout the year, while goods producing industries decreased by 15,000.

MICHIGAN UNEMPLOYMENT RATES (1982–1986)



Civilian Labor Force, Employment, and Unemployment Estimates

State of Michigan

ITEM	DEC 1986	NOV 1986	OCT 1986	DEC 1985
PLACE OF RESIDENCE				
Civilian Labor Force	4477	4470	4424	4357
Employment	4136	4111	4064	4028
Unemployment	341	359	360	329
Rate	7.6	8.0	8.1	7.6
PLACE OF WORK				
Wage and Salary Employment	3635	3644	3639	3589
Goods Producing Industries	1096	1108	1108	1111
Construction and Mining	123	133	138	118
Mining	10	11	11	10
Construction	113	123	127	107
Manufacturing	973	975	971	993
Durable Goods	751	753	748	777
Lumber and Wood Products	13	13	12	12
Furniture and Fixtures	26	26	26	26
Stone, Clay and Glass Products	18	18	19	18
Metals	165	164	165	172
Primary Metals	50	50	50	51
Fabricated Metals	116	114	115	121
Nonelectrical Machinery	122	123	124	131
Electrical Machinery	38	38	37	36
Transportation Equipment	347	349	343	360
Motor Vehicles and Equip.	325	328	321	339
Other Transportation Equip.	22	22	22	21
Other Durable Goods	22	22	21	21
Nondurable Goods	222	223	222	216
Food and Kindred Products	49	50	49	46
Textiles and Apparel	23	23	23	22
Paper and Allied Products	21	21	21	21
Printing and Publishing	39	38	39	39
Chemicals and Petroleum	43	43	43	43
Other Nondurable Goods	48	47	47	46
Rubber and Plastic Prod.	46	45	45	43
Service Producing Industries	2539	2536	2531	2478
Trans., Comm. and Utilities	147	147	149	145
Transportation and Utilities	113	113	114	110
Communications	34	34	34	35
Wholesale Trade	181	181	181	178
Durable Goods	116	117	116	113
Nondurable Goods	65	65	65	65
Retail Trade	658	645	638	633
General Merchandise Stores	101	95	91	98
Food Stores	91	90	89	89
Automotive Dealers and Services	75	75	75	73
Eating and Drinking Places	216	215	217	206
Other Retail Trade	176	169	165	167
Finance, Insurance and Real Estate	172	171	171	164
Finance	89	88	88	86
Insurance and Real Estate	83	83	83	78
Services	783	785	789	760
Business Services	166	167	167	156
Health Services	265	266	266	260
Other Services	352	352	356	344
Government	597	607	603	599
Federal	61	60	60	59
State	150	156	155	151
Local	387	392	389	389
Labor Disputes	0	0	1	2

* Indicates a labor-management dispute in the industry.

Notes: Data expressed in thousands. Current month data are preliminary.

CIVILIAN LABOR FORCE data are based on the monthly Current Population Survey of the U.S. Bureau of Labor Statistics — 1985 Benchmark.

WAGE AND SALARY EMPLOYMENT is based on a monthly sample of employing establishments as part of the co-operative federal-state Current Employment Statistics program — March 1985 Benchmark.

CLAIMS ACTIVITY

The number of individuals collecting regular unemployment benefits increased for the second consecutive month in December. The regular benefits claims load averaged 128,930 per week during the month, approximately 31,955 more than the November total.

The 33 percent increase in the monthly average was primarily due to layoffs in the automotive industry. In December 1985, the number of claimants drawing benefits under the regular benefit program averaged 100,739, or approximately 28 percent lower than the present total.

WEEKLY CLAIMS FOR UNEMPLOYMENT INSURANCE

Week Ending	Michigan			Detroit		
	Total	Initial	Continued	Total	Initial	Continued
December 06, 1986	128,300	22,700	105,600	57,400	11,700	45,700
December 13, 1986	139,000	23,600	115,400	62,000	11,900	50,100
December 20, 1986	154,800	23,300	131,500	73,000	10,700	62,300
December 27, 1986	156,900	29,000	127,900	70,300	11,300	59,000

PRICES FALL IN DETROIT

Consumer prices in the Detroit metropolitan area dropped from 325.3 in November to 324.7 in December. The decrease in Detroit area prices was primarily due to lower costs for transportation and men and women's apparel. Prices in the area climbed by 0.5 percent since December 1985, when the consumer price index stood at 323.1.

At the national level, the cost of living advanced by one tenth of a percent to reach 331.1 during the month. The higher national prices were due to additional costs for medical care, food and transportation. Between December 1985 and December 1986, national consumer prices increased by 1.1 percent. One year ago, the national index registered 327.4.

HOURS AND EARNINGS

The average workweek of Michigan workers in manufacturing industries rose to 43.7 hours in December. The increased workweek was shared by all manufacturing industries, with electrical and nonelectrical machinery registering the largest gains.

During the month average hourly earnings increased by ten cents to $12.82, while average weekly earnings increased by $22.17 to total $560.23. In December 1985, earnings averaged $12.81 an hour or $570.04 per week for a 44.5 hour workweek.

MICHIGAN'S HOURS AND EARNINGS

Industry	Average Hourly Earnings a/			Average Weekly Hours a/			Average Weekly Earnings a/		
	Dec 1986	Nov 1986	Dec 1985	Dec 1986	Nov 1986	Dec 1985	Dec 1986	Nov 1986	Dec 1985
TOTAL MANUFACTURING	$12.82	$12.72	$12.81	43.7	42.3	44.5	$560.23	$538.06	$570.04
DURABLE GOODS	13.33	13.24	13.39	44.0	42.5	44.9	586.52	562.70	601.21
Primary Metal Products	12.14	12.33	12.14	43.1	42.4	45.0	523.23	522.79	546.30
Fabricated Metal Products	12.76	12.64	12.96	43.0	42.5	44.2	548.68	537.20	572.83
Nonelectrical Machinery	12.97	12.83	12.96	44.6	42.6	44.9	578.46	546.56	581.90
Electrical Machinery	11.04	10.72	11.01	44.8	41.8	44.1	494.59	448.10	485.54
Motor Vehicles & Equip.	15.12	14.99	15.08	44.5	43.0	45.9	672.84	644.57	692.17
NONDURABLE GOODS	10.95	10.84	10.54	42.7	41.7	43.3	467.56	452.03	456.38
Contract Construction	15.61	15.46	15.67	37.0	37.0	38.7	577.57	572.02	606.43
Department Stores	6.79	6.88	6.65	28.2	27.9	28.7	191.48	191.95	190.85

a/ Average weekly and hourly earnings are computed from aggregates of individual establishment reports utilizing the total amount paid to production workers and total production hours. Average weekly and hourly earnings differ from weekly and hourly rates in that they are affected by overtime wage rates, part-time earnings, the length of the workweek, etc.

Note: *Current month data are preliminary.*

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ESTIMATES
DECEMBER 1986 (Preliminary)

Area	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
United States	118,049,000	110,588,000	7,461,000	6.3
Michigan	4,477,000	4,136,000	341,000	7.6
Major Labor Markets				
Ann Arbor MSA	157,200	151,600	5,600	3.6
Battle Creek MSA	64,100	59,400	4,600	7.2
Benton Harbor MSA	76,200	70,000	6,200	8.2
Detroit MSA	2,185,000	2,032,000	153,000	7.0
Flint MSA	199,900	180,900	18,900	9.5
Grand Rapids MSA	340,100	317,400	22,700	6.7
Jackson MSA	63,500	58,600	4,900	7.8
Kalamazoo MSA	114,000	107,900	6,100	5.4
Lansing MSA	238,700	224,600	14,100	5.9
Muskegon MSA	68,800	61,500	7,400	10.7
Saginaw-Bay-Midland MSA	187,000	170,800	16,300	8.7
Upper Peninsula LMA	129,000	113,800	15,200	11.8
Major Counties (15,000+)				
Allegan	40,125	36,925	3,200	8.0
Barry	21,175	19,450	1,725	8.1
Bay	54,500	48,575	5,925	10.9
Branch	17,725	16,250	1,475	8.4
Cass	23,200	21,725	1,475	6.3
Clinton	31,775	29,825	1,950	6.1
Delta	15,175	13,600	1,575	10.3
Eaton	50,650	48,175	2,475	4.9
Grand Traverse	30,525	28,075	2,450	8.0
Gratiot	17,725	15,825	1,900	10.8
Hillsdale	19,575	17,900	1,700	8.6
Huron	15,725	14,150	1,575	10.0
Ingham	156,300	146,575	9,725	6.2
Ionia	18,350	16,150	2,200	12.0
Isabella	26,850	25,175	1,675	6.2
Kent	250,875	234,000	16,875	6.7
Lapeer	35,575	32,500	3,075	8.6
Lenawee	40,150	36,775	3,350	8.4
Livingston	50,250	47,375	2,875	5.7
Macomb	350,550	323,025	27,525	7.9
Marquette	28,575	26,025	2,550	8.9
Midland	33,525	31,350	2,175	6.5
Monroe	66,750	61,675	5,075	7.6
Montcalm	21,375	19,025	2,350	11.0
Newaygo	16,975	15,050	1,925	11.3
Oakland	505,125	473,075	32,050	6.3
Ottawa	89,250	83,450	5,800	6.5
Saginaw	99,025	90,825	8,200	8.3
St. Clair	72,625	64,950	7,675	10.6
St. Joseph	27,075	24,800	2,275	8.4
Sanilac	18,225	16,425	1,800	9.9
Shiawassee	32,800	29,900	2,925	8.9
Tuscola	22,025	19,750	2,250	10.3
Van Buren	28,450	25,250	3,200	11.2
Wayne	1,104,025	1,029,150	74,875	6.8

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